

Major Moves Help Desk

Office of Governor Mitch Daniels

Answers to Hoosiers' Questions about Major Moves

Jennifer Eads writes in the Lafayette Journal and Courier why a private company can make money leasing the Indiana Toll Road and the State cannot?

Private companies can take advantage of many tax deductions, such as depreciation, that are not available to government, and they have greater options in financing. In addition, Statewide Mobility Partners (SMP) is world renowned for operating toll facilities. The company has decades of experience in providing efficient, high quality transportation to motorists.

Leann Burton asked in the Muncie-Star Press where the money went that was promised to build roads?

In recent years, more than \$2 in roads were promised for every \$1 Indiana had to spend. It led to the State's \$2.8 billion transportation funding gap. Major Moves eliminates that gap and fully funds INDOT's Ten-Year Transportation Construction Plan, provides \$150 million for local governments to spend improving roads, and allows the state to pay outstanding debt.

Gunnar Jensen questions in the South Bend Tribune whether the private company will add new lanes if needed on the Toll Road.

Unlike the State of Indiana, Statewide Mobility Partners will have no choice but to add new lanes as traffic volume increases. Currently, congestion in parts of Lake County exceed federal traffic highway standards. Since the Toll Road has not been able to afford adding new lanes, traffic congestion has increased. According to the lease, SMP must add new lanes and take other measures to reduce congestion when traffic exceeds federal standards. The company will not have the ability to defer building new lanes as the State has done over the past few years.

Mark Jolly asked if Major Moves will result in a lowering of future federal highway funds in a letter to the Editor in the South Bend Tribune.

Absolutely not. The federal government actually encourages states to consider public-private partnerships to augment transportation budgets. Unfortunately, the alternative funding plan put forth by House Democ-

rats would lower Indiana's future federal highway funding. By borrowing against those future payments, the State would have less money to spend in future years on transportation. Major Moves keeps that revenue stream flowing and building projects across Indiana.

Michael McCluskey wrote to the Terre Haute Tribune Star asking whether the Toll Road would generate more than \$3.85 billion over the next 75 years?

Put simply. The Toll Road generates about \$100 million per year in revenue. That means about \$7.5B over the next 75 years, but Indiana must still pay to operate and upgrade the Toll Road, which is currently losing money. The private company offered the State \$3.85 billion. That money will generate \$800 million in interest and the company is obligated to make an estimated \$4.4 billion in improvements to the road. That equals \$9 billion and Indiana does not have to pay to operate and upgrade the Toll Road.

Did you Know?

Statewide Mobility Partners (SMP) will pay state and local income and sales taxes, where appropriate. These taxes will generate new revenue since the State of Indiana does not pay income or sale tax.

Quote of the Day:

"I have never seen a highway program that will allow us to complete planned projects and have funding in place for this long."

Ron Pope, president
Rieth-Riley Construction Co.
Indianapolis Star—2/5/06

Tippecanoe County Votes to Endorse Major Moves

[T]he Tippecanoe County commissioners voted Monday to write a letter in support of Daniels' plan to lease the toll road, dubbed "Major Moves." The governor has said money from a 75-year agreement would enable the state to pay for every road project planned for the next 10 years. That includes a road to replace Indiana 25 between Lafayette and Logansport: the Hoosier Heartland Highway. Another part of that plan would give the 92 counties in Indiana \$150 million total over the next three years. Tippecanoe County would receive \$942,129 in each of those years.

Excerpted from Lafayette Journal and Courier, February 7, 2006

Major Moves Website Now Contains County Information

The Major Moves website now features an interactive map to show county specific benefits of major moves. A user only needs to click on a county to see how much money the county will receive in new construction projects, preservation, local road funds, and grants to the Toll Road Counties from Major Moves.

www.majormoves.in.gov